



DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CEPR-P (715)

8 February 2002

MEMORANDUM FOR COMMANDERS/DIRECTORS, ALL USACE COMMANDS
ATTN: DIRECTORS/CHIEFS OF CONTRACTING

SUBJECT: PARC Instruction Letter 2002-1, AFARS Part 5137.1


1. This PARC Instruction Letter is issued to reemphasize changes to AFARS 5137-1, previously forwarded by OPARC policy e-mail dated 25 January 2002. The changes are repeated below for ready reference:

AFARS Part 5137.1—Service Contracts—General

Solicitations for services must be performance based and fixed price (firm fixed price, fixed price with award fee, fixed price incentive, fixed price with economic price adjustment). Specifically excluded from this requirement are all research and development, architect-engineer, environmental remediation and restoration, emergency services acquisitions, and procurements conducted pursuant to Office of Management and Budget (OMB) Circular A-76. Deviations (both individual and class) with supporting justification in writing may be granted by PARCs up to \$10 million, HCA's up to \$50 million, and the DASA (P&P) over \$50 million. Copies of all approved deviations are to be provided to SAAL-PP on a quarterly basis.

2. Be advised that our Operations and Maintenance (O&M) requirements are not exempt. You should strive to design fixed-price type as well as performance-based contract vehicles to achieve O&M requirements. However, in the event you have an O&M procurement that you feel must be cost-type, you must submit to the PARC, with convincing justification in the Determinations and Findings (D&F) format.
3. We aggressively worked your concerns on the original AFARS change and I am confident that your efforts, and the concerns expressed to the Army by the Chief and myself, contributed greatly to the resultant AFARS changes.
4. POC is Dave Petersen, 202-761-5451.

FOR THE COMMANDER:


BUNNATINE H. GREENHOUSE
Principal Assistant Responsible
for Contracting

CF: CEMP-ZD